

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 07475 251114Z

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 STR-04

ITC-01 L-03 /074 W

-----251215Z 036584 /43

R 250631Z MAY 77

FM AMEMBASSY NEW DELHI

TO USDA WASHDC

INFO SECSTATE WASHDC 3605

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS NEW DELHI 7475

USDA FOR FAS/O AND PD (FCA AND FMD) AND OGSM PASS FAS/AA
(RANSOM) FOR JOHNSON FROM ACTING AGATT

E.O. 11652: N/A

SUBJECT: EDIBLE OIL IMPORT LICENSING

REF: NEW DELHI 7260

1. AS EXPECTED, THE GOI ON MAY 20 ANNOUNCED MEASURES DESIGNED TO
TIGHTEN-UP BOTH THE ISSUANCE AND UTILIZATION OF EDIBLE OIL
IMPORT LICENSES, RELEASED UNDER A SCHME OF OPEN GENERAL
LICENSING (OGI) LAST JANUARY AND NOW AMOUNTING TO RS. 5.6
BILLION. THE NEW POLICY AIMS AT CONTINUING THE PRIVATE
TRADE'S PARTICIPATION IN MEETING SOME OF THE ANTICIPATED SHORT-
FALL IN DIRECT HOUSEHOLD CONSUMPTION REQUIREMENTS, WHILE
GUARANTEEING THE GOVERNMENT ENOUGH SUPERVISORY CONTROL TO
PRECLUDE ABUSE OF THE SYSTEM AND TO BEGIN TO FORMULATE
A NATIONAL POLICY FOR EDIBLE VEGETABLE OILS AND OILSEEDS.

2. AS ANNOUNCED, THE POLICY INVALIDATES ALL EDIBLE OIL AND
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OILSEED LICENSES ISSUED TO DATE UNLESS EVIDENCE CAN BE
PRODUCED THAT WITHIN THREE MONTHS OF THE ISSUE DATE ACTUAL
UTILIZATION HAS TAKEN PLACE. ACTUAL IMPORTED GOODS OR A
FIRM COMMITMENT TO DO SO WOULD CONSTITUTE SUCH EVIDENCE.
FOR PURPOSES OF INVALIDATING OR RENEWING LICENSES, A FIRM
COMMITMENT TO IMPORT IS DEFINED AS HAVING OPENED AN IRRE-
VOCABLE LETTER OF CREDIT OR ANY OTHER IRREVOCABLE COMMITMENT

TO IMPORT . NO EXTENSION OF THE PERIOD FOR MAKING FIRM COMMITMENTS OR IN THE VALIDITY PERIOD OF THE LICENSES (ONE YEAR) WILL BE ALLOWED. FURTHERMORE, FRESH LICENSES WILL BE GRANTED ONLY TO THE EXTENT TO WHICH THE PREVIOUS LICENSE HAS BEEN UTILIZED BY WAY OF ACTUAL IMPORTS.

3. INFORMATION AS TO THE EXACT SCOPE OF INVALIDATIONS CAUSED BY THE NEW POLICY IS UNAVAILABLE. IT NONETHELESS APPEARS THAT, AS PER REFTEL, SOME 175,000 TO 200,000 METRIC TONS VALUED AT ROUGHLY RS. 1.4 BILLION WILL BE IMPORTED UNDER THE OGL SCHEME BEFORE THE CLOSE OF 1976-77 (OCT-SEP). THE EXTENT OF UTILIZATION OF LICENSES REMAINING VALID OR NEWLY ISSUED FOR 1977-78 WILL DEPEND UPON THE SPREAD BETWEEN DOMESTIC AND INTERNATIONAL PRICES. TO THE EXTENT THAT THIS SPREAD REMAINS AT OR ABOVE APPROXIMATELY DOLS230-250 PER METRIC TON, SCOPE FOR ADDITIONAL IMPORTS IS FORESEEN.GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, VEGETABLE OILS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE07475
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770186-0884
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770519/aaaaaqnq.tel
Line Count: 78
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Litigation Codes:
Litigation History:
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Message ID: f557498a-c288-dd11-92da-001cc4696bcc
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Original Previous Classification: n/a
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Secure: OPEN
Status: NATIVE
Subject: EDIBLE OIL IMPORT LICENSING
TAGS: EAGR, IN
To: USDA
Type: TE
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